

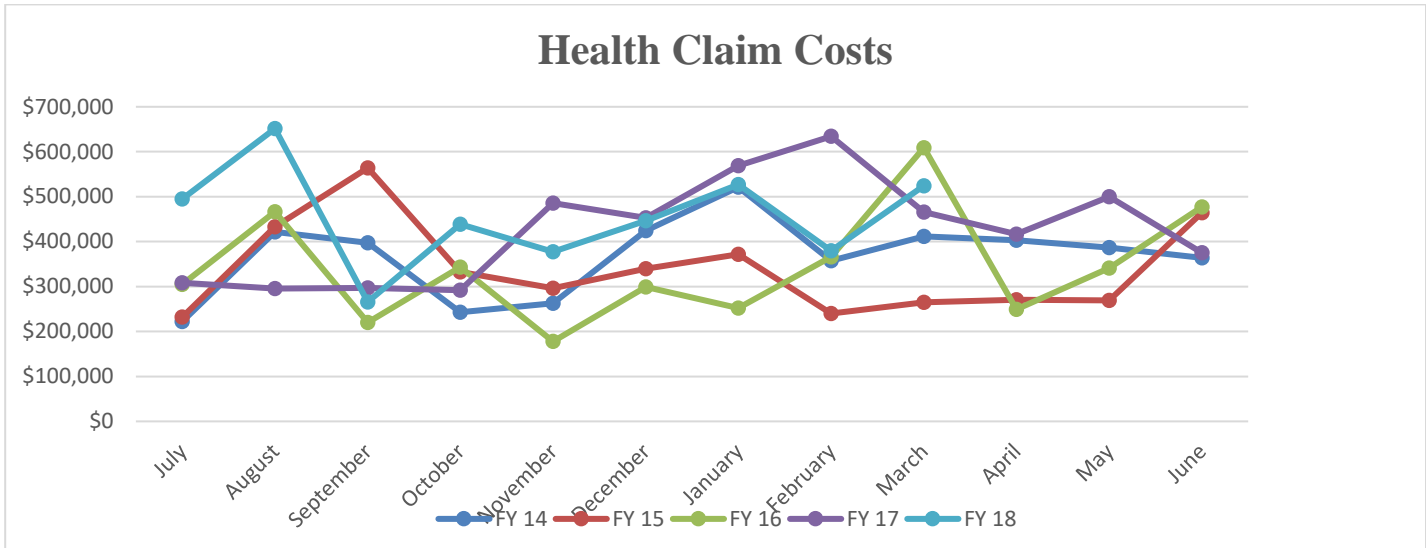
April 2018 Busine\$\$ Report

BY DAVE BLACKBURN

Health Claims – The March 2018 health claims of \$524,062 were higher than last year’s March costs. See the blue line (FY 18) in the line chart below. In the first eight months of the fiscal year the Board has provided \$3,350,000 (84.4%) toward health claim costs while the employees have contributed \$340,771 (8.59%) in premiums. We are currently exceeding last year’s expenses by \$304,628 over the first nine months of the fiscal year.

As has been repeatedly mentioned in the past, Dixon USD #170 is and has been self-insured for over 30 years. That means that the District utilizes a third party administrator, in our case IPMG, to process and pay claims based on the District’s Health Plan and then purchases excess reimbursement coverage for claimants who exceed \$125,000 per year (there is also an additional aggregating specific of another \$112,000 obligation to the District for claims over the \$125,000 threshold). Although being self-insured is a very cost effective method of providing health care it can create some budgeting issues in that it is almost essential to budget “worst case scenario.”

<u>Health Insurance Claim Costs</u>	<u>Difference</u>					
	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 17 v. FY 18</u>
July	\$222,162	\$231,894	\$304,875	\$308,581	\$494,819	\$186,239
August	\$421,391	\$432,872	\$466,102	\$295,643	\$651,398	\$355,755
September	\$397,066	\$563,910	\$220,212	\$296,759	\$265,806	(\$30,953)
October	\$243,165	\$332,572	\$343,562	\$291,870	\$438,396	\$146,526
November	\$262,462	\$296,013	\$177,750	\$485,458	\$377,441	(\$108,017)
December	\$424,641	\$339,803	\$298,825	\$452,775	\$446,263	(\$6,512)
January	\$521,242	\$371,855	\$251,916	\$569,301	\$527,056	(\$42,245)
February	\$357,697	\$240,010	\$366,194	\$634,151	\$379,903	(\$254,249)
March	\$411,642	\$264,983	\$609,034	\$465,978	\$524,062	\$58,084
April	\$402,767	\$270,826	\$249,562	\$416,898		
May	\$386,683	\$269,454	\$341,218	\$499,554		
June	<u>\$363,790</u>	<u>\$464,321</u>	<u>\$477,279</u>	<u>\$375,392</u>		
Totals	\$4,414,708	\$4,078,512	\$4,106,528	\$5,092,359	\$4,105,144	\$304,628



County School Facility Tax – Dixon Public Schools’ December sales tax amount of \$123,609 (our sixth payment) was mailed on April 6, 2018. The revenue will be once again placed in the Capital Projects – Fund 60 and can only be used for new facilities, additions & renovations, security, entrances, safety, disabled access, architectural planning, energy efficiency, parking lots, issuing bonds or retiring bonds. To date the District has spent \$363,973 from this fund for architectural/mechanical design with Green Associates and Russell Construction for construction management services, \$5,875 for the drilling of a geothermal test well and \$46,273 for a down payment for the elevators at two buildings. Per legal counsel we will also need to transfer the amount equivalent to the initial interest payments owed, approximately \$320,000 which will be precisely determined after the bond sale, to the Bond and Interest Fund.

Countywide Sales Tax Revenues

2017

July	\$112,390.43	11.6.2017
August	\$114,519.33	12.6.2017
September	\$114,384.71	1.13.2018
October	\$110,898.10	2.6.2018
November	\$115,962.00	3.5.2018
December	\$123,609.44	4.6.2018

2018

- January
- February
- March
- April
- May
- June

FY 18 \$691,764.01

State of Illinois Mandated Categorical Payments – Transportation – We are nine months into the fiscal year and **we have only received our first of four transportation categorical payments** from the State of Illinois. That was on 2/13/18 when we received \$113,918.65 for regular and vocational transportation and \$172,861.71 for special education. The second and third payments have been disbursed, but has not been processed by the Comptroller’s Office. The Illinois State Board of Education’s Financial Reimbursement Information System shows that we are owed and additional \$348,327.87 in Regular and Vocational Transportation and \$526,950.06 in Special Education Transportation (Total owed by State = \$875,277.93).

In April of 2017 the Board of Education authorized a loan in the amount of **\$669,614.59** from the Working Cash Fund to our Transportation Fund due to the fact that we had not received any State of Illinois Mandated Categorical Transportation Funding. **That loan is still owed to the Working Cash Fund.** Prior to that loan we had relied on the fund balance in the Transportation Fund and the local property tax (\$0.20 per \$100 EAV) revenues levied for transportation purposes. We needed the loan in order to meet our transportation obligations. We then received our first transportation payment on 4/21/17 and our second on 6/21/17 prior to the end of the FY 17 Fiscal Year on 6/30/17. The third FY 17 payment arrived on 8/10/17 and the fourth, and final, on 10/23/17. All FY 17 state transportation funds were finally received four months into the new fiscal year, but that same late payment schedule has continued again this fiscal year.

As of 3/31/18 the Transportation Fund had \$417,128, including funds in investments, according to the Treasurer’s Report. We have received \$691,351 in local property taxes which is 99.76% of what was expected and there will be very little more to be received. The March costs for IL Central School Bus payable in April is \$212,039.51 which **won’t leave enough to make the May payment for April’s operation without another state payment or another loan from the Working Cash Fund.**

Transportation - Regular and Vocational

Schedule Date	Amount	Status	Processed by Comp.
9/30/2017	\$ 113,918.65	Disbursed	2/13/2018
12/30/2017	\$ 116,109.29	Disbursed	
3/30/2018	\$ 116,109.29	Disbursed	
6/15/2018	<u>\$ 116,109.29</u>	Scheduled	
	\$ 462,246.52		

Transportation - Special Education

Schedule Date	Amount	Status	Processed by Comp.
9/30/2017	\$ 172,861.74	Disbursed	2/13/2018
12/30/2017	\$ 175,765.02	Disbursed	
3/30/2018	\$ 175,765.02	Disbursed	
6/15/2018	<u>\$ 175,765.02</u>	Scheduled	
	\$ 700,156.80		

Since local transportation revenues, although timely, are relatively flat and since state funding, based on the previous year’s transportation claim, are consistently late there has been pressure put on the Transportation

Fund for the second year in a row. We are completing the second of a three year agreement with Illinois Central School Bus so we know that our rates will increase by 3% for the 2018/2019 school year. We also now have a number of additional outside placements that weren't destinations when we entered into this contract. These factors, as well as others, may all come into play as we look at either extending the current contract or going out for bid for the 2019/2020 school year. We may be forced for financial reasons to look at such things as fewer number of regular education routes, increased student time on buses, inability to accommodate outside daycare providers' pick-up and delivery needs, possibly more group stops and anything else that could lower expenses. When we went out for bid after the 2012/2013 school year there was only one bidder, IL Central, (although another contractor had attended the mandatory pre-bid meeting) and costs increased 13.75% with two 3% increases in the three year contract. When we went out for bid after the 2015/2016 school year there were two bidders and two others showed interest, but chose not to bid. IL Central was the low bidder and their costs increased 12.56% with two 3% increases in the three year contract.

Corporate Personal Property Replacement Tax (CPPRT) – CPPRT is a state tax on the net income of corporations, partnerships and trusts and an invested capital tax on utilities which was enacted in 1979 to replace revenues lost due to the abolition of the corporate personal property tax. The past six years the District has received the following amounts:

FY 12 \$1,885,162

FY 13 \$1,926,153

FY 14 \$1,948,536

FY 15 \$2,095,575

FY 16 \$1,918,474

FY 17 \$2,118,922

This fiscal year we budgeted \$1,822,462 (\$300,000 less than last year with \$1,722,188 going toward the Ed Fund and \$100,362 for the IMRF/SS Fund per a required formula), but it doesn't appear as if we will receive that much in that each payment to date has been considerably lower than last year. Unless there is a reversal in this trend we will probably receive at least 10% less than is budgeted.

	<u>FY 17</u>
-	
8/9/2016	\$40,212
10/11/2016	\$314,181
12/6/2016	\$83,602
1/5/2017	\$310,699
3/3/2017	\$199,584
4/5/2017	\$508,415
5/8/2017	\$327,418
7/6/2017	<u>\$334,811</u>
-	\$2,118,922

	<u>FY 18</u>	<u>Difference</u>
-		
8/3/2017	\$15,437	(\$24,775)
10/5/2017	\$228,567	(\$85,613)
12/5/2017	\$60,263	(\$23,339)
1/5/2018	\$205,190	(\$105,509)
3/6/2018	\$182,025	(\$17,559)
4/5/2018	\$374,179	(\$134,236)
-		
-		
-	\$1,065,662	(\$391,030)